BRAMALEA CONSOLIDATED DEVELOPMENTS LIMITED

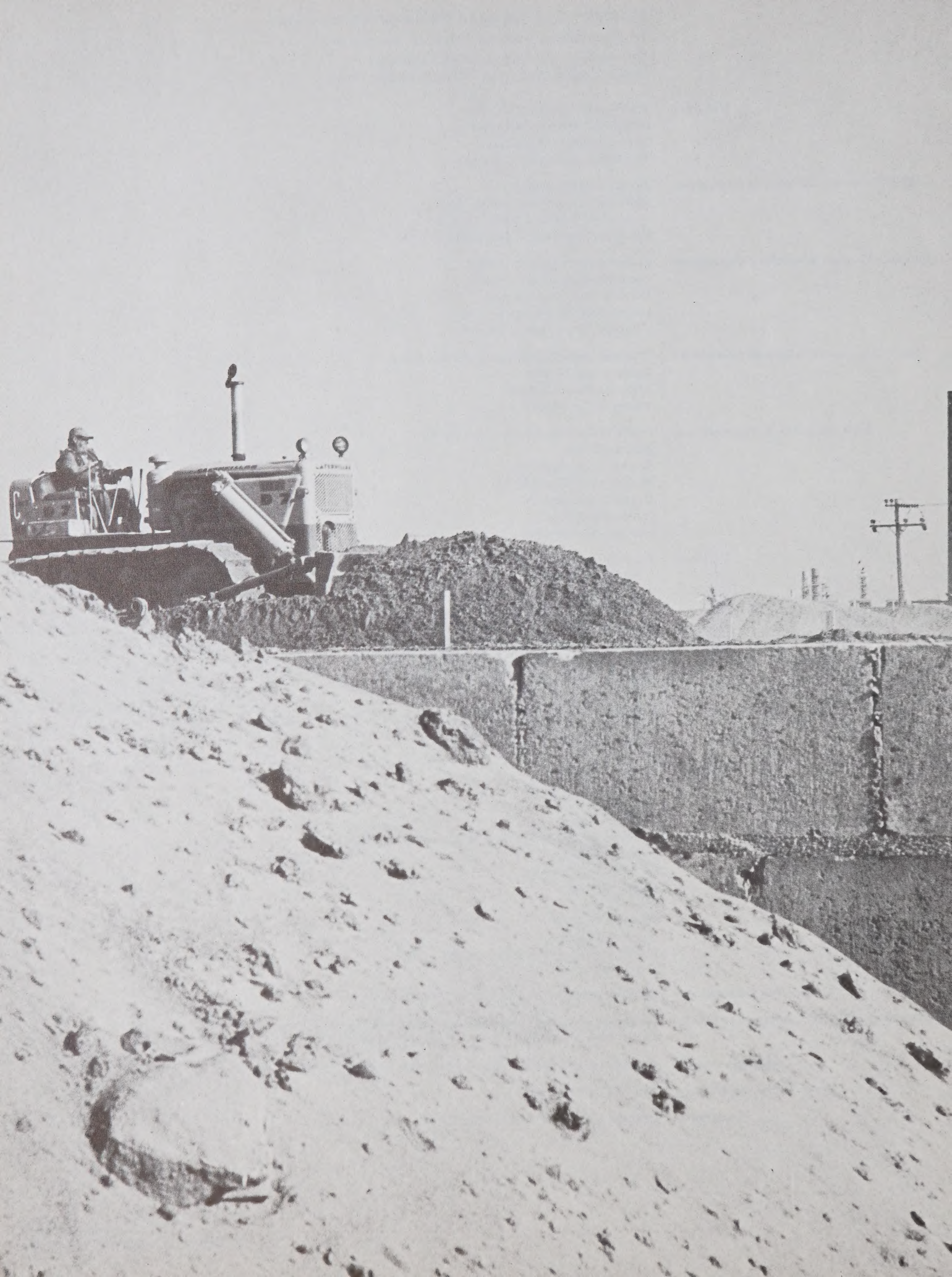
ANNUAL REPORT 1969

Front Cover illustration:
Bramalea City Centre, Fall 1969

Bramalea Consolidated Developments Limited

Executive Offices: P.O. Box 257, Royal Trust Tower,
Toronto-Dominion Centre, Toronto, Ontario.
General Offices: No. 1 City Centre, Bramalea, Ontario.

Divisions	Commercial Properties Division Industrial Development Division Land Development Division Residential Construction Division
Wholly-Owned Subsidiary Companies	Bramalea Hotels Limited Bramalea Leasing Corporation Limited (formerly Bramalea Farms Limited) Bramalea Management Corporation Limited
Partially-Owned Subsidiary Companies	Bramalea Trans-Canada Limited Camp Muskoka Lodge Limited Crown Colony Club Limited Hanlon Park Developments Limited Rosepark Developments Limited
Associate and 50%-Owned Companies	Bramalea General Contracting (Peel) Limited Brama-Green Limited Bramalea Realty Limited Village In The Valley Limited
Joint Ventures & Partnerships	Sarnia St Clair Construction Company BBC Swansea Southport Developments Southminster Developments Dunhill Developments Embassy-Bramalea Heritage Developments
Officers	The Hon. J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L., Chairman of the Board Alan F. B. Taylor, President and Chief Executive Officer Arthur S. Armstrong, Executive Vice-President Murray E. Hardisty, Senior Vice-President Edward D. Marchant, C.A., Senior Vice-President John L. Shortly, C.A., Senior Vice-President Ernest K. Birmann, Vice-President, Industrial Development Division Stanley A. Podkowa, Secretary Raymond M. Coole, C.A., Treasurer Gordon J. Reid, C.A., Comptroller
Directors	*Arthur S. Armstrong E. Jacques Courtois, Q.C. Ross Dunn, Q.C. Robert H. Jones *The Hon. J. Keiller Mackay, D.S.O., V.D., Q.C., LL.D., D.C.L. *Emerson M. Miller Sir Brian Mountain, Bt. *Alan F. B. Taylor *John H. Taylor Raymond A. Taylor James A. Thomson The Rt. Hon. Lord Tweedsmuir, C.B.E., C.D., LL.D. *Executive Committee
Trustee for Debentures	Canada Permanent Trust Company, Toronto, Ontario.
Registrars and Transfer Agents for Stock	Morgan Guaranty Trust Company of New York, New York, U.S.A. Canada Permanent Trust Company, Toronto, Ontario.
Warrant Agent	Morgan Guaranty Trust Company of New York, New York, U.S.A.
Stock Exchange Listing	Toronto Stock Exchange
Auditors	McDonald, Currie & Co., Toronto, Ontario.



President's Report to the Shareholders

Gross revenue, resulting from the Company's operations in the fiscal year ended November 30, 1969, rose by 74% to $36,248,011 and net profit after taxes by 37% to $2,310,120, equivalent to 39c per share based on the average number of shares outstanding during the fiscal year.

In response to a change in accounting practices recommended by the Accounting Profession, the Company during the year changed its method of accounting for income taxes to complete tax allocation. The effect of this change was to increase the provision for deferred income taxes by $237,000 the equivalent of approximately 4c per share.

A significant contributor to the year's gross revenue was the sale to the Ontario Housing Corporation of land in Bramalea for 4,602 townhouse units. Concurrently, the Company paid a levy to the Township of Chinguacousy, as a result of which the Township released the lands sold to the Corporation and at the same time released additional lands for the construction by the Company of 1,398 units of single and semi-detached homes. In consideration of the levy payment, the Company was relieved of any further financial obligations to the Township with respect to these lands including the maintenance of an industrial/residential tax ratio, the provision of capital cost of schools and other items which had previously been obligations of the Company.

This sale to the Ontario Housing Corporation assures the Company of land inventory, zoned and serviced, for the production of housing in Bramalea for several years ahead. In addition to the 1,398 units of single family and semi-detached homes, the Company has also, under its arrangement with the Ontario Housing Corporation, an entitlement to build 50% of the units to be produced under the auspices of the Corporation.

At the same time, those lands acquired by the Land Development Division in Erindale, Etobicoke, Burlington, Guelph, Pickering, Waterloo and Clarkson, all in the Province of Ontario, have been processed for development and will be available for the production of housing in 1970 and succeeding years.

In 1969, the Company continued to diversify and to expand geographically. Village In The Valley Limited, a company in which the Company has a 50% interest, acquired approximately 720 acres of land in the Township of Markham, northeast of Metropolitan Toronto. It is expected that sales of lots for single family housing will start in May or June of 1970.

The Residential Construction Division completed and sold 348 house units in Bramalea in 1969, 321 of which were constructed under the H.O.M.E. program. In addition, a further 355 units of townhouse condominiums were constructed in the Town of Mississauga and the Borough of Etobicoke of which 269 were sold in 1969. It is anticipated that a substantially greater number of units will be produced by the Company in 1970 in all its development areas.

The Industrial Development Division achieved a record volume in 1969, with the sale or lease of in excess of 180 acres which will have added 25 industries occupying approximately 2,000,000 square feet of industrial plant when completed by the end of 1970. This industrial expansion will satisfy all the Company's obligations with respect to the industrial/residential assessment by 1971 under the terms of all subdivision agreements entered into with the Township of Chinguacousy since construction of Bramalea was commenced. This will eliminate any further payments to the Township under these agreements.


SUPERIOR

The Commercial Properties Division continued to expand its operations and substantially completed the building and leasing of its enclosed shopping malls in Ajax and Hamilton, Ontario, and Phase 1 of the City Centre in Bramalea. It is the Company's intention to continue its expansion in this field and a number of sites are presently under examination.

Bramalea Trans-Canada Limited, formed in 1968 to carry out developments in major urban centers throughout Canada by means of joint ventures or partnerships with established building and/or development companies presently operating in these centers, has commenced major development and building programs in Vancouver, Edmonton and Calgary.

Bramalea General Contracting (Peel) Limited, the Company's general contracting associate, has since its incorporation late in 1967, obtained contracts to a value of approximately $28,000,000. Included in this figure is the recent award of a contract for the construction of the offices for the Canada Centre for Inland Waters in Burlington, for approximately $8,000,000.

During 1969, your Company purchased a 51% interest in Crown Colony Club Limited, which controls approximately 900 acres of land on Chub Cay in the Berry Islands 35 miles northwest of Nassau, Bahamas. The Club is revenue producing and it is anticipated that, with the efficient on-site management now installed, the return will be improved over the years and that the island will be developed to provide vacation housing of substance compatible with that already in existence.

In the Swansea apartment development in Western Metropolitan Toronto, the Company produced a plan which finally received acceptance by the rate-payers and the Ontario Municipal Board. The Company intends to develop these lands as soon as possible subject to availability of mortgages.

The Company continued its study of systems building utilizing the Skarne Concrete Elemental Building System for which the Company acquired the Canadian rights and has subsequently signed an agreement with Skarne International Systems AB encompassing the rights for North America including Mexico and the Caribbean.

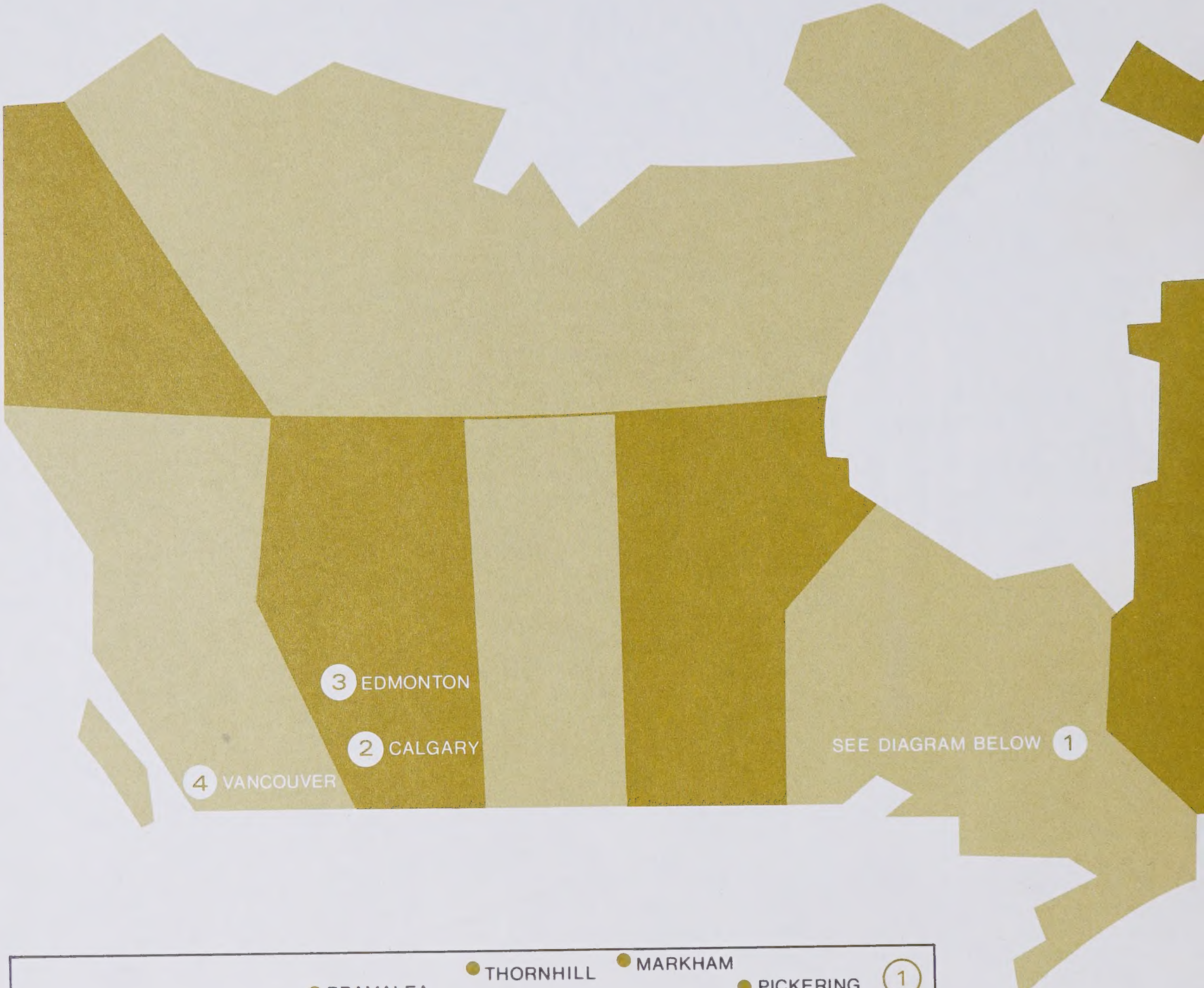
Mention must be made of the proposals outlined in the White Paper on Taxation recently published by the Minister of Finance which would undoubtedly, if implemented, impose substantial penalties on the Canadian Real Estate Industry and in particular could well adversely affect the ability of the industry to produce economic housing. The Company has joined other leading companies in preparing a brief opposing the more onerous and discriminatory proposals contained in the White Paper.

There is little doubt that with the need to combat inflation and in the face of steadily rising costs of land, labor, materials and money the ability of the industry to provide housing for Canadians is already being hindered. Realizing that single family homes are now beyond the reach of the bulk of our population and that to many families highrise apartment living is undesirable, the Company has concentrated its efforts in condominium townhousing, a field of endeavor in which it has been the pioneer in Ontario. Approximately one half of the residential house volume achieved by the Company in 1969 was in the sale of condominium townhousing, a form of accommodation designed to utilize land more efficiently and to produce a more economical end product in an acceptable environment. It is anticipated that this trend will continue and that a large percentage of the Company's volume in 1970 will be in the production of townhousing for sale under the Condominium Act.

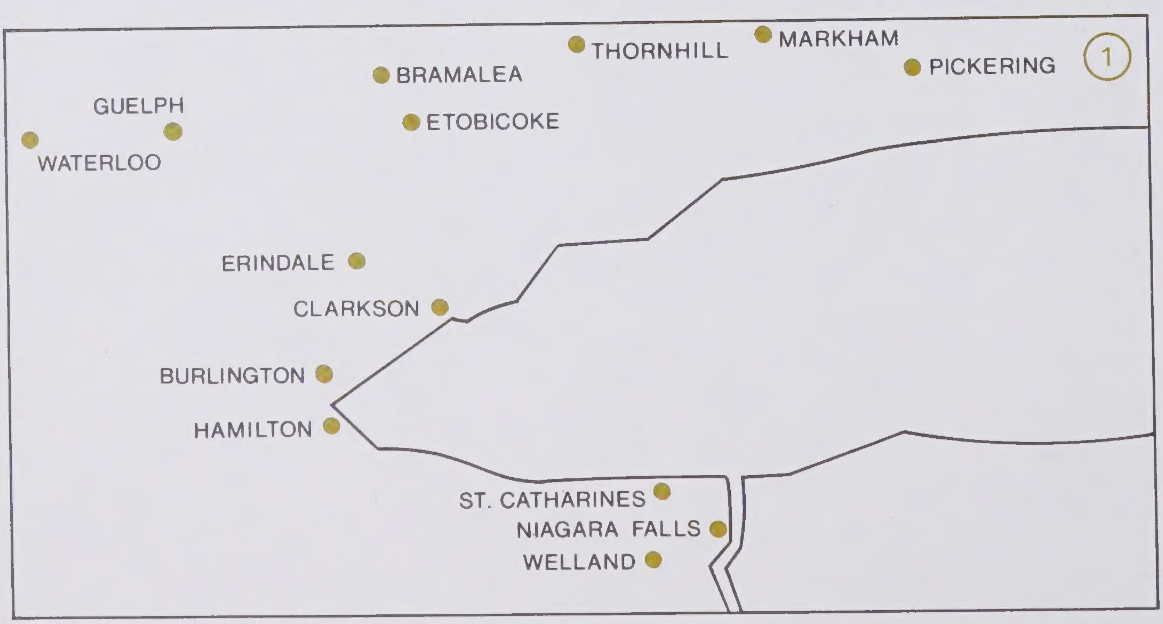
The Company is in the fortunate position of having a great deal of land inventory planned, zoned and serviced in Bramalea and elsewhere, for building over the next several years. The timing of the production of housing units on these lands must depend to a degree on the availability and cost of money and the ability of purchasers to absorb the carrying costs involved. It is felt, however, that a forecast of increased production for 1970 is realistic.

March, 1970

President.



3 EDMONTON
2 CALGARY
4 VANCOUVER
SEE DIAGRAM BELOW 1



THORNHILL
MARKHAM
PICKERING
1
BRAMALEA
GUELPH
ETOBICOKE
WATERLOO
ERINDALE
CLARKSON
BURLINGTON
HAMILTON
ST. CATHARINES
NIAGARA FALLS
WELLAND

Geographical Expansion

Bramalea Trans-Canada Limited

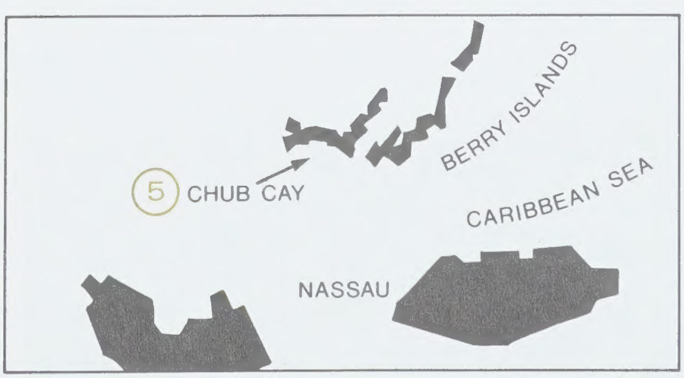
Bramalea Trans-Canada Limited, a company in which Bramalea Consolidated Developments Limited has a 60% interest was incorporated in 1968 to expand and diversify Bramalea's land development and residential construction program geographically in major urban areas across Canada. Bramalea Trans-Canada Limited has entered into joint venture agreements with established local builders in Vancouver, Edmonton and Calgary.

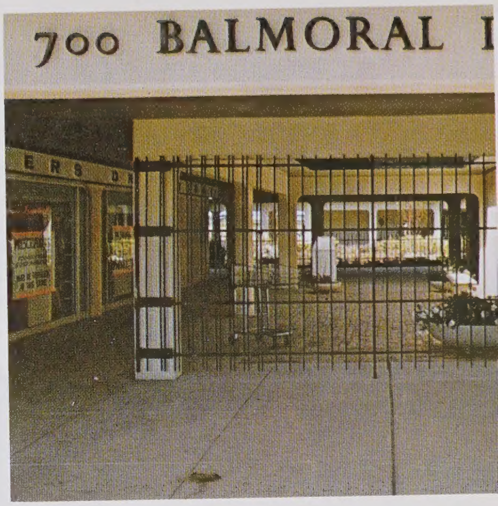
In June 1969, a 78-unit condominium townhouse project was started in Vancouver, and at November 30, 1969, 59 units had been sold and closed. In February 1970, construction of an additional 100 units was begun on a site adjacent to the 78 units above. Also, two additional condominium townhouse projects were begun in February 1970 in the Vancouver area, one of 56 units and the other of 52 units. In Edmonton, construction of a 58-unit condominium townhouse project was begun in September 1969. These units were first offered for sale in early January 1970, and the sales response to date has been quite satisfactory. Construction of an additional 120 units is expected to start in April 1970 at this site. Also in the Edmonton area, construction is expected to start on another 100 units in April. In Calgary, a 100-unit townhouse condominium project is scheduled to start in 1970.

Bramalea General Contracting (Peel) Limited

In the fiscal year ended November 30, 1969, Bramalea General Contracting (Peel) Limited, the Company's general contracting associate, completed or had under construction, projects totalling approximately $12,000,000.

These projects include such buildings as the Administration Building for the North York Board of Education, Canada Centre for Inland Waters—Phase I, shopping centres in Hamilton and Ajax being built for the Company, and a home for the aged in Unionville. In addition, Bramalea General Contracting (Peel) Limited was recently awarded the contract for Phase II of the Canada Centre for Inland Waters for approximately $8,000,000.




700 BALMORAL


EMBASSY
MART


STUDIO OF HAIR DESIGN
"MARTINIZING"
THE TORONTO DOMINION BANK


NOVA SCOTIA
SHOPPERS DRUG MART


SHOPPERS DRUG MART

Revenue-Producing Properties

Shopping centres in operation owned or managed by the Company:

Niagara Peninsula Shopping Centre (Managed)
Location — St. Catharines, Ont.
Rentable area — 790,000 square feet.
Number of stores — 92

Bramalea City Centre — Phase I (Owned)
Location — Bramalea, Ont.
Rentable area — 102,500 square feet.
Number of stores — 19

Avondale Shopping Centre (Owned)
Location — Bramalea, Ont.
Rentable area — 45,500 square feet.
Number of stores — 15

Southgate Village Shopping Centre (Owned)
Location — Bramalea, Ont.
Rentable area — 24,300 square feet.
Number of stores — 9

Royal Orchard Shopping Centre (Owned)
Location — Thornhill, Ont.
Rentable area — 42,800 square feet.
Number of stores — 10

Shopping centres under construction for the Company:

Ajax Shopping Centre— enclosed mall (Owned)
Location — Ajax, Ont.
Rentable area — 207,100 square feet.
Number of stores — 31

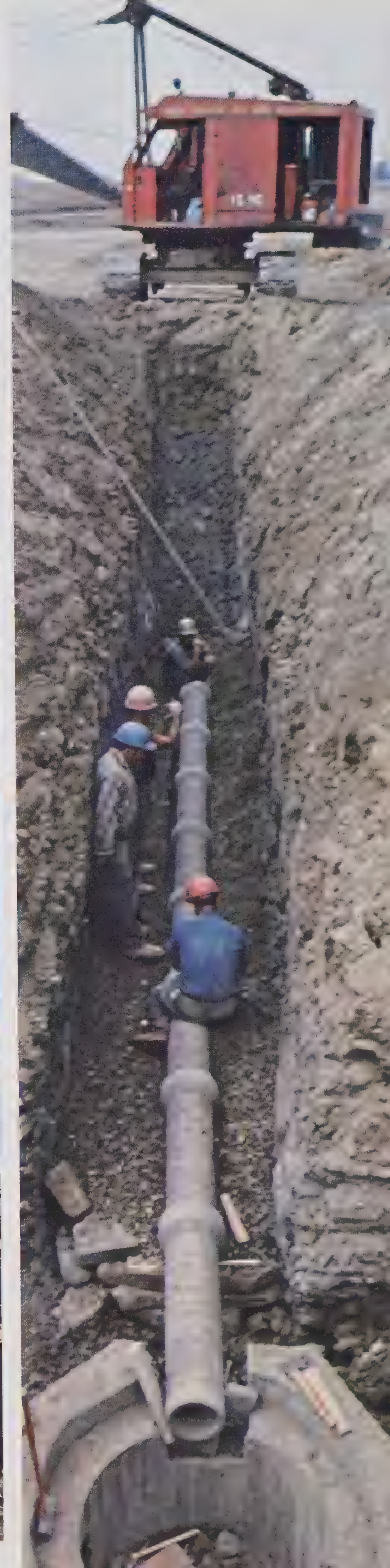
Hamilton Shopping Centre — enclosed mall (Owned)
Location — Hamilton, Ont.
Rentable area — 150,200 square feet.
Number of stores — 27

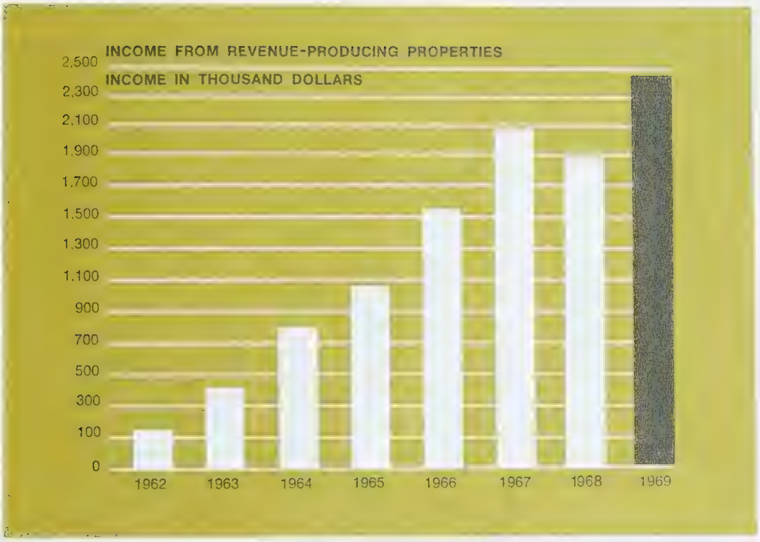
The Company is examining sites for additional shopping centre developments in southern Ontario.











Other Revenue-Producing Properties:

York Square North—
Townhouses (Owned)
Location — Borough of North York, Ont.
Number of Units — 91

Bramalea Townhouses (Owned)
Location — Bramalea, Ont.
Number of Units — 101

Industrial Buildings (Owned)
Location — Bramalea, Ont.
Rentable area — 32,000 square feet.
Tenant — Mills Appliance Products Ltd.
Building status — Completed in 1969.

Location — Bramalea, Ont.
Rentable area — 45,000 square feet.
Tenant — Thorco Manufacturing Ltd.
Building status — Completed in 1969.

Location — Bramalea, Ont.
Rentable area — 80,000 square feet.
Tenant — Federal Pacific Electric of Canada.
Building status—Under construction

Location — Bramalea, Ont.
Rentable area — 25,000 square feet.
Tenant — Palmer-Shile (Canada) Ltd.
Building status—Under construction

Location — Bramalea, Ont.
Rentable area — 20,000 square feet.
Tenant — Root Wire Limited.
Building status — Completed prior to 1969.

Industrial Buildings (Managed)
Location — Bramalea, Ont.
Rentable area — 68,000 square feet.
Tenant — Ford Motor Company of Canada Limited
Building status — Completed prior to 1969.

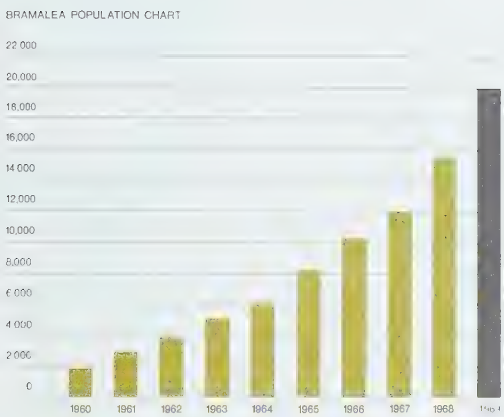
Location — Bramalea, Ont.
Rentable area — 33,400 square feet
Tenants — Multiple tenancy.
Building status — Completed prior to 1969.







Residential Developments



During 1969 the Company built and sold 348 housing units. Of these houses, 321 were constructed under the Home Ownership Made Easy (H.O.M.E.) plan on lots in Bramalea leased back by the Company from the Ontario Housing Corporation, as reported in 1968. The Company also sold 27 houses built under its regular house building program in Bramalea.

The Company built 355 townhouse units under Condominium legislation in the Metropolitan Toronto area. The Company sold and closed 269 of these units. In the 59-unit townhouse condominium project in Erindale, in the Town of Mississauga, 40 units were sold during the fiscal year ended November 30, 1969. Sales in the Company's 296-unit condominium project in the Borough of Etobicoke in north-west Metropolitan Toronto, totalled 229 units.

In Bramalea Woods, all lots have now been utilized by the custom builders, and the Company is currently negotiating with the municipality for the development of additional lots adjacent to this area which will either be sold to custom builders or developed by the Company. A good demand exists for these houses which are currently selling at prices in excess of $50,000.

Construction has begun on another condominium project of 252 units in the Borough of Etobicoke. A 50-unit townhouse condominium project is also under construction in Guelph, Ontario.

As detailed in the President's Report, the Company sold land for 4,602 townhouse units for sale under the H.O.M.E. plan to the Ontario Housing Corporation in 1969. The Company has the option to lease back land for the construction of 2,301 of these townhouse units. Construction of 502 of these units is expected to start in April 1970.

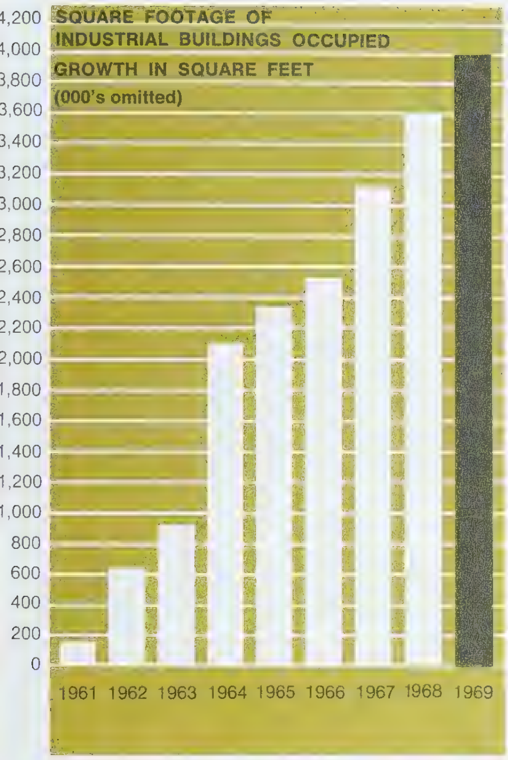
During 1970 the Company expects to start construction on a 79-unit townhouse project in Mississauga.

The Company's building program for 1970 also includes the construction of 341 single and semi-detached houses in Bramalea, Phase VI and 207 single and semi-detached houses in Mississauga. It is expected that construction will begin on approximately 1,381 housing units in 1970 and that approximately 800 units will be sold by November 30, 1970.

Bramalea land holdings

	Under Development (acres)	Raw Land (acres)	Total (acres)
Bramalea	1,241	2,425	3,666
Other areas	165	356	521
	1,406	2,781	4,187

Bramalea Industrial Park



The Industrial Development Division had a very successful year in 1969 selling land or leasing industrial buildings to 26 industries on 185.4 acres of land on which it is expected that approximately two million square feet of new industrial plant will be built. In addition, three companies already in operation in Bramalea expanded their facilities in 1969 by 92,000 square feet.

As at November 30, 1969, 75 industries were located in Bramalea or have purchased sites in the Bramalea Industrial Park. These industries will occupy or have under construction approximately 5,647,500 square feet of space and will employ in excess of 10,500 people.

As reported under Revenue-Producing Properties—1969, four industries leased buildings from the Company in 1969. Two of these industries occupied their buildings in 1969 and the other two companies are scheduled to move into their premises in the spring of 1970. The leasing program may be curtailed somewhat in 1970 because of high mortgage interest rates and the difficulty in obtaining mortgage money.

The demand for serviced land in the Bramalea Industrial Park remains high. It is anticipated that in 1970 approximately 70 acres of land will be sold on which there will be built approximately 700,000 square feet of new plant.






Glidden
THE
Glidden COMPANY LTD
COATINGS
ADHESIVES
PLANT Nº12


Bramalea Industrial Park

Company	Acres	Square Feet		
		Buildings Occupied	Under Construction	Construction Scheduled for 1970
Companies which purchased sites in Bramalea in 1969				
Aircraft Appliances and Equipment Ltd.	7.0		90,000	
American Standard Products (Canada) Ltd.	2.6		26,000	
Bacardi & Co. of Canada Ltd.	8.3		30,000	
Burlington Carpet Mills Canada Ltd.	20.0			200,000
Canadian Liquid Air Ltd.	9.4		38,000	
Canadian Technical Tape Ltd.	4.0	43,000		
Capitol Record Club	5.9		67,000	
Carlton Cards Ltd.	10.0		115,000	
Crucible Steel Co. Ltd.	2.2		14,000	
Dominion Glass Company Ltd.	53.9		740,000	
Elias Bros. Construction Ltd.	2.0	20,000		
English and Mould Limited	2.2			20,000
Firmenich of Canada Ltd.	3.0			15,000
B.F. Goodrich Canada Ltd.	12.2	100,000		
Hydromatic Machines Ltd.	2.4			20,000
John's Frame Shop Ltd.	3.1			30,000
Lorlea Enterprises Ltd.	4.0	18,000		
Reardon Company Limited	2.0		20,000	
Rolph-Clark-Stone Ltd.	6.2	100,000		
Wm. H. Rorer Ltd. (expansion land)	1.8			
Shinn Aircraft Canada Ltd.	2.0	20,000		
Tillotson Plastics Ltd.	4.4			40,000
	168.6	301,000	1,140,000	325,000
Companies which purchased sites in Bramalea in 1968 and occupied their buildings in 1969				
Cresswell-Pomeroy Limited		35,000		
Dominion Fence & Wire Co. Ltd.		43,000		
Lansing Bagnall Canada Ltd.		25,000		
Merle Norman Cosmetics of Canada Ltd.		16,000		
Denry Development Ltd.		52,500		
		171,500		
Companies which built additions to their buildings in 1969				
Bundy of Canada Limited		35,000		
The Glidden Company Limited		43,000		
Slick Industrial Company Canada Limited (T. Campbell Construction)		14,000		
		92,000		
Companies which lease buildings from Bramalea Consolidated Developments Limited				
Federal Pacific Electric of Canada	7.8		80,000	
Mills Appliance Products Ltd.	2.0	32,000		
Palmer-Shile (Canada) Ltd.	3.0		25,000	
Thorco Manufacturing Ltd.	4.0	45,000		
	16.8	77,000	105,000	—
	185.4	641,500	1,245,000	325,000

Accounting Policies

The accounting policies used by the Company in the preparation of its financial statements are as follows:

House Sales

Revenue from the sale of a house is not recorded until the acceptance of the completed house by the purchaser. At the same time, the cost which is 95% to 100% actual and from 0% to 5% estimated, is charged to cost of sales. The estimated amounts are adjusted to actual as soon as they are known.

Industrial Land Sales

Revenue from the sale of industrial acreage is recorded on closing and the cost of sale is recorded at the average cost per acre. No profit is recorded on conditional sales.

Rental Revenue

Revenue from rental properties is recorded as earned. Where percentage rentals are payable by tenants, as is the case in all the shopping centres owned by the Company, this percentage rental is recorded when earned.

Where leases contain rental escalation provisions the annual rental recorded as earned is based on the average rental to be earned over the term of the lease.

Deferred Profits

The Company follows the practice of deferring profits on transactions under appropriate circumstances, which is in accordance with the guidelines established by the Ontario Securities Commission.

Profits or losses arising from sale and leaseback transactions are amortized over the term of the lease taken back.

Land Cost

Land is shown in inventory at its original cost plus carrying charges, i.e. interest on debt and taxes. The cost of land in a particular residential neighbourhood or industrial park is prorated over the saleable acreage in that area. Development costs are averaged over the acreage to which they relate.

Depreciation

Depreciation on buildings is recorded at a minimum of 2% on a straight line basis. Depreciation on equipment is recorded at a rate sufficient to write the equipment off over its anticipated life.

School Costs

The Company is writing off the estimated cost of a public elementary school on a unit basis over the number of residential units that the particular school serves. The instalment payments of principal and interest on account of outstanding debentures for present public elementary schools, which the Company is responsible for, are expensed as they are made.

Investments

Investments in 50%-owned companies, joint ventures, partnerships and associate companies in which there is significant ownership are accounted for on the equity basis. Under this method of accounting, the Company's share of profits or losses are included in income and the investment increased or decreased respectively. Dividends are recorded as a reduction in the investment.

Comparative summary of how each $100.00 of income was spent for the last four years*

	1969	1968	1967	1966
INCOME	**$100.00**	**$100.00**	**$100.00**	**$100.00**
EXPENSES				
Cost of land and houses	64.31	59.73	55.53	61.09
Operating expenses of revenue-producing property	6.08	8.40	11.61	12.50
Selling and administrative	7.27	10.52	9.82	10.80
Interest and other financial charges and management fees	3.07	2.48	4.53	5.70
Miscellaneous and other operations	4.55	2.46	4.76	3.10
TOTAL EXPENSES	85.28	83.59	86.25	93.19
NET PROFIT (before income taxes)	14.72	16.41	13.75	6.81
CORPORATION INCOME TAXES	8.38	8.34	4.55	—
	6.34	8.07	9.20	6.81
	$100.00	$100.00	$100.00	$100.00

**After reclassification of certain items in the 1966 and 1968 statements and adjustment for minority interest.*

The following table indicates the sources of the Company's income and its relationship by percentage*

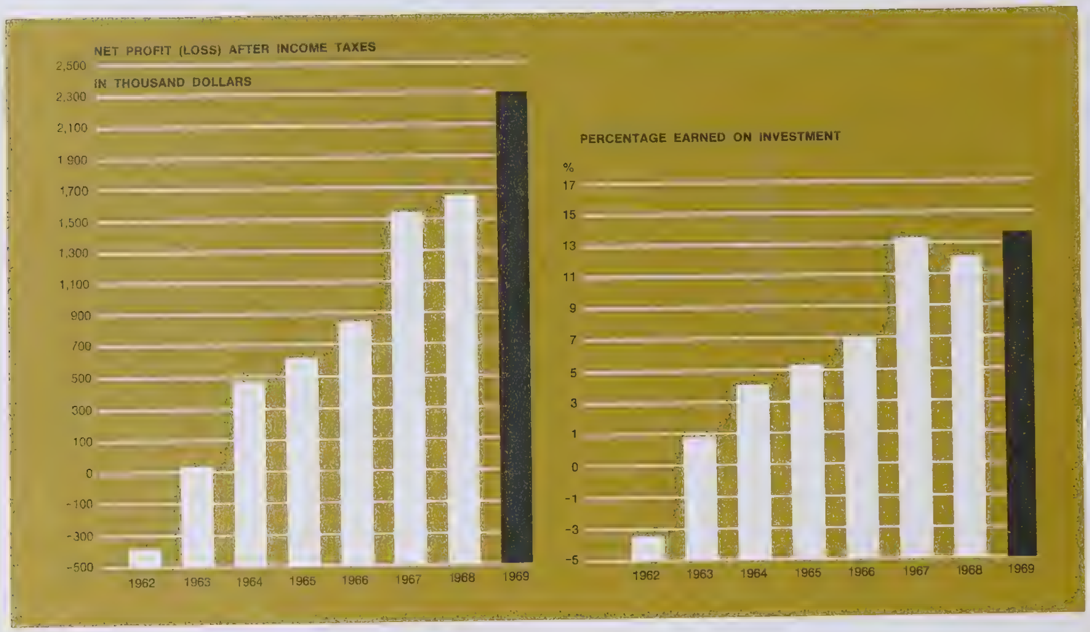
	1969		1968		1967		1966	
	Dollar Amount	% Total Income	Dollar Amount	% Total Income	Dollar Amount	% Total Income	Dollar Amount	% Total Income
Sale of land and houses	$31,904,119	88.02	$18,154,420	87.21	$13,959,206	83.67	$ 9,315,040	79.89
Income from revenue-producing properties	2,477,572	6.84	1,881,713	9.04	2,061,462	12.35	1,568,686	13.45
Profit from sale of revenue-producing properties	—	—	—	—	40,719	.24	169 127	1.45
Interest income	498,147	1.37	336,877	1.62	215,406	1.29	160,580	1.38
(Loss) gain on redemption of debentures	—	—	(46,510)	(.22)	14,144	.09	(17,556)	(.15)
Miscellaneous and other operations	1,368,173	3.77	488,799	2.35	393,492	2.36	463,946	3.98
	$36,248,011	100.00	$20,815,299	100.00	$16,684,429	100.00	$11,659,823	100.00

**After reclassification of certain items in the 1966 and 1968 statements.*

Profit earned as a percentage of issued capital stock*

	1962	1963	1964	1965	1966	1967	1968	1969
Net profit (loss)	$ (445,252)	$ 12,237	$ 434,099	$ 611,018	$ 795,993	$1,534,921	$1,686,386	$2,310,120
Percentage earned on investment	(3.94)	.01	3.84	5.40	7.04	13.47	12.27	13.89

*1962-1966 based on investment of $11,309,849
1967 based on the average investment of $11,396,933
1968 based on the average investment of $13,743,132
1969 based on the average investment of $16,627,374



Earnings per share (adjusted for the 5 for 1 stock split in August 1968)**

	Net profit (loss)*		Income taxes		Net profit (loss) after income taxes	
	Total	Per Share	Total	Per Share	Total	Per Share
1962	$ (445,252)	$(.10)	$ —	$ —	$ (445,252)	$(.10)
1963	12,237	—	—	—	12,237	—
1964	434,099	.10	—	—	434,099	.10
1965	611,018	.14	—	—	611,018	.14
1966	795,993	.18	—	—	795,993	.18
1967	2,294,921	.50	760,000	.17	1,534,921	.33
1968	3,429,386	.65	1,743,000	.33	1,686,386	.32
1969	5,358,520	.89	3,048,400	.50	2,310,120	.39

***1962-1966 based on 4,472,690 shares*
1967 based on the average number of shares outstanding 4,576,033
1968 based on the average number of shares outstanding 5,241,332
1969 based on the average number of shares outstanding 5,998,452
** after adjustment for minority interest*

Auditors' Report

MᶜDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS

INTERNATIONAL FIRM
COOPERS & LYBRAND

TELEPHONE (416) 366-2551
120 ADELAIDE STREET WEST
TORONTO 110, ONTARIO, CANADA

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Bramalea Consolidated Developments Limited and subsidiaries as at November 30, 1969 and the consolidated statements of earnings and retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 30, 1969 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent, except for the changes in accounting for certain investments and income taxes described in notes 2 and 11 with which we concur, with that of the preceding year.

McDonald, Currie & Co.

February 20, 1970. CHARTERED ACCOUNTANTS

ASSETS

	1969	1968
Cash	$ 651,581	$ 694,062
Short-term notes — at cost	50,000	2,000,000
Accounts receivable (note 3)	7,080,695	7,095,096
Houses completed and under construction (including land) — at cost (note 4)	3,767,448	1,938,883
Land and improvements — held for sale (note 5)		
Under development:		
Land (including carrying charges, 1969 — $1,150,833; 1968 — $612,441)	7,883,499	5,024,156
Development expenses	7,485,226	3,868,481
Undeveloped land (including carrying charges, 1969 — $1,810,905; 1968 — $2,409,246)	7,126,800	8,534,643
Mortgages, debentures and notes receivable (notes 6 and 20)	11,417,957	8,000,148
Investments (notes 2 and 7)	4,064,487	1,852,867
Revenue-producing properties, complete and in progress, other property and equipment — at cost less accumulated depreciation (note 8)	14,984,393	6,567,501
Deferred financing costs (note 9)	351,999	418,581
Deferred charges	1,193,247	1,483,585
	$66,057,332	$47,478,003

Approved on behalf of the Board

Director

Director

LIABILITIES

	1969	1968
Bank indebtedness (note 10)	$ 7,752,832	$ —
Accounts payable and accrued liabilities	6,950,635	4,470,915
Provision for future development expenses	239,127	193,700
Provision for income taxes (note 11)	586,908	1,586,931
Due to associate companies	860,268	929,364
Mortgages, notes and similar indebtedness (note 12)	13,416,539	9,113,767
7½% Convertible Debentures, Series A, due October 1, 1988 (note 13)	11,868,000	12,000,000
Deferred income taxes (notes 2 and 11)	1,630,000	518,000
Deferred profits (note 14)	1,119,510	179,858
Minority interest (note 1)	659,330	37,530
	45,083,149	29,030,065

SHAREHOLDERS' EQUITY

	1969	1968
Capital Stock (note 15)		
Authorized —		
12,500,000 common shares without par value		
Issued and fully paid	16,816,153	16,359,907
Retained earnings	4,158,030	2,088,031
	20,974,183	18,447,938
	$66,057,332	$47,478,003

Commitments and Contingent Liabilities (note 19)

The accompanying notes are an integral part of this statement and should be read in conjunction therewith.

Bramalea Consolidated Developments Limited and Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

for the year ended November 30, 1969

	1969	1968
REVENUE		
Sales of land and houses	$31,904,119	$18,154,420
Income from revenue-producing properties	2,477,572	1,881,713
Interest (note 7)	498,147	336,877
Loss on redemption of 6½% Sinking Fund Debentures	—	(46,510)
Miscellaneous and other operations (notes 1 and 7)	1,368,173	488,799
	36,248,011	20,815,299
EXPENSES		
Cost of land and houses sold (note 5)	23,400,833	12,483,173
Operating costs of revenue-producing properties (including interest on long-term debt, 1969 — $232,018; 1968 — $476,671)	2,210,753	1,755,392
Selling and administrative	2,655,267	2,199,363
Financial:		
Interest	1,040,830	408,451
Amortization of deferred financing costs (note 9)	66,582	108,938
Miscellaneous and other operations (note 7)	1,731,271	513,958
	31,105,536	17,469,275
	5,142,475	3,346,024
EARNINGS FROM INVESTMENTS (notes 2 and 7)	141,157	84,499
	5,283,632	3,430,523
PROVISION FOR INCOME TAXES (notes 2 and 11)		
Current	1,936,400	1,517,000
Deferred	1,112,000	226,000
	3,048,400	1,743,000
NET EARNINGS BEFORE ADJUSTMENT FOR MINORITY INTEREST	2,235,232	1,687,523
MINORITY INTEREST (note 1)	74,888	(1,137)
NET EARNINGS FOR THE YEAR	2,310,120	1,686,386
RETAINED EARNINGS — BEGINNING OF YEAR	2,088,031	497,299
	4,398,151	2,183,685
DIVIDENDS	240,121	95,654
RETAINED EARNINGS — END OF YEAR	$ 4,158,030	$ 2,088,031
EARNINGS PER SHARE based on average number of shares outstanding during each year and without giving effect to further share issues under presently existing rights (note 15)	$ .39	$ .32
Depreciation (including depreciation of revenue-producing properties, 1969 — $140,509; 1968 — $229,313)	$ 469,013	$ 333,983
Remuneration paid to the Company's directors and senior officers including directors holding salaried employment	$ 319,247	$ 243,150

The accompanying notes are an integral part of this statement and should be read in conjunction therewith.

Bramalea Consolidated Developments Limited and Subsidiaries

Consolidated Statement of Source and Use of Funds

for the year ended November 30, 1969

SOURCE OF FUNDS	1969	1968
From Operations		(note 18)
Net income	$ 2,310,120	$ 1,686,386
Non-cash items included in the determination of net income (note 18)	10,379,017	5,374,586
	12,689,137	7,060,972
Funds obtained from bank	7,537,500	—
Decrease (increase) in accounts receivable	3,623,804	(1,083,600)
Mortgage proceeds and repayments	3,195,405	2,475,057
Increase in accounts payable and accrued liabilities	2,173,795	1,825,094
Sale of short-term notes	1,950,000	—
Issue of common shares	324,246	4,715,052
Net proceeds from issue of 7½% Convertible Debentures, Series A	—	11,775,358
	$31,493,887	$26,767,933

USE OF FUNDS		
Development expenses and carrying charges on land	$16,288,749	$ 4,869,576
Additions to revenue-producing properties, completed and in progress, and other assets	6,954,405	5,827,621
Increase in investments	2,318,147	541,098
Principal repayment of mortgages, notes, bank and similar indebtedness	2,015,191	7,564,945
Land purchases net of mortgages assumed	1,477,920	2,726,590
Increase in deferred charges	889,172	1,609,538
Dividends	240,121	95,654
Redemption of 6½% Sinking Fund Debentures	—	3,904,058
Investment in short-term notes	—	2,000,000
Repayment of joint venture liabilities	—	407,824
Other changes in assets and liabilities	1,310,182	(2,778,971)
	$31,493,887	$26,767,933

Notes to Consolidated Financial Statements

for the year ended November 30, 1969

1. Principles of Consolidation

The consolidated financial statements include:

(i) the accounts of all companies in which the parent company holds an interest of 51% or more;

(ii) the company's share of profits, losses and dividends of 50%-owned companies, joint ventures, partnerships and associate companies in which there is significant ownership.

The shareholders' equity attributable to the shares held by others is shown on the balance sheet and the statement of earnings and retained earnings as "Minority interest". Minority interests' share of consolidated profit previously included in "Miscellaneous and other operations expenses" in 1968 amounting to $1,137 has been reclassified and shown as a separate item.

All inter-company balances have been eliminated on consolidation.

2. Changes in Basis of Accounting

During the year the company made the following changes in its application of accounting principles:

(i) in response to the recommendation of the Canadian Institute of Chartered Accountants the method of accounting for income taxes was changed from partial to complete tax allocation;

(ii) the method of accounting for investment in 50%-owned companies and associate companies in which there is significant ownership was changed from cost to equity basis.

Had the above changes not been made in the current year, earnings from investments would have been approximately $77,500 more, provision for deferred income taxes $237,000 less and net earnings $314,500 more than as shown.

3. Accounts Receivable

	1969 $	1968 $
Accounts receivable include:		
Due on sale of houses	2,022,495	1,631,129
Due from Ontario Housing Corporation	2,852,000	—
Due on sale and leaseback of a shopping centre	—	4,281,737
Due on sales of land	889,869	—
Other	1,316,331	1,182,230
	7,080,695	7,095,096

Accounts receivable from sale of houses generally represents remaining balances on sales of houses and are receivable from mortgagors.

4. Houses Completed and Under Construction

Houses completed and under construction at November 30, 1969, comprise the following:

	Construction Costs $	Lots (at cost) $	Total 1969 $	Total 1968 $
Houses completed and under construction:				
Under contract of sale	714,473	205,900	920,373	1,359,718
Not under contract of sale	1,482,797	1,364,278	2,847,075	579,165
	2,197,270	1,570,178	3,767,448	1,938,883

At November 30, 1969, mortgages of $861,426 were outstanding on houses completed and under construction. As sales of houses are made, the mortgage obligations will be liquidated.

5. Land and Improvements — Held for Sale

Prior to 1961 the company sold industrial land at a loss of $310,546 as an inducement for industries to locate in Bramalea. The development costs pertaining to this land were estimated at $229,410. The total loss on sales and the related estimated development costs ($539,956) were included in development expenses and are amortized over sales of industrial land on an acreage basis. At November 30, 1969, the unamortized balance was $250,647.

Except for the item explained above "Land and Improvements — Held for Sale" is stated at cost in the accompanying consolidated balance sheet. The company's policy is to include carrying charges, such as interest and real estate taxes which pertain to that land, as part of the cost of land. Carrying charges included as part of the cost of land amounted to $2,961,738 at November 30, 1969, and are amortized over sales of both industrial and residential land on an acreage basis.

Development expenses include costs for water and sewage systems, roads, sidewalks, and street lighting systems. Development expenses are allocated to the industrial and/or residential areas which benefit from the expenditure and are amortized over sales of such land.

6. Mortgages, Debentures and Notes Receivable

Mortgages, debentures and notes receivable include:

(a) Non-interest bearing mortgages in the amount of $1,875,500;
  - (i) $375,500 receivable in instalments of $13,000 per annum to August 1, 1982, with the balance on May 1, 1983;
  - (ii) $1,500,000 due and receivable June 30, 1998.

(b) Mortgages and notes in the amount of $6,431,457, bearing interest at 4% to 10% receivable to 1993.

(c) 6⅞% Ontario Housing Corporation debenture in the amount of $3,111,000 receivable in annual instalments of principal and interest to 1984.

7. Investments

This amount includes:	1969 $	1968 $
Investment in and advances to 50%-owned companies and associate companies in which there is significant ownership; equity basis	1,899,689	39,255
Advances to joint ventures and partnerships; equity basis	2,153,473	1,802,069
Investments without quoted value	11,325	11,543
	4,064,487	1,852,867

The company's portion of current year's earnings (including interest charged) from 50%-owned companies, joint ventures, partnerships and associate companies in which there is significant ownership amounted to $141,157 and is included in income. Accumulated earnings (including interest charged) to November 30, 1969 amounted to $373,146.

Earnings from investments previously included in "Interest revenue, miscellaneous and other operations — revenue and expenses" in 1968 amounting to $84,499 have been reclassified and are shown as a separate item.

8. Revenue-Producing Properties, Complete and in Progress, Other Property and Equipment

These assets and related accumulated depreciation comprise:

	1969			1968
	Cost	Accumulated Depreciation	Net	Net
	$	$	$	$
Revenue-producing properties:				
Completed	7,840,217	474,178	7,366,039	3,577,979
Under construction	5,201,390	—	5,201,390	2,280,139
Equipment — other operations	2,675,560	706,872	1,968,688	410,294
Property and equipment	933,069	484,793	448,276	299,089
	16,650,236	1,665,843	14,984,393	6,567,501

9. Deferred Financing Costs

Deferred financing costs less amortization consist of:

(i) the unamortized balance of the financing costs relative to the issuance of the 7½% Convertible Debentures amounting to $211,537;

(ii) the unamortized balance of the financing costs relative to the issuance of the 6½% Sinking Fund Debentures amounting to $140,462. This balance is being amortized over the original term of the debentures which were due July 1, 1973. The remaining outstanding 6½% Sinking Fund Debentures were redeemed during 1968.

10. Security for Bank Indebtedness

The company has assigned a mortgage receivable in the amount of $1,775,500 as security for bank indebtedness.

11. Income Taxes

The current year's income tax provision has been increased by $73,000 (net) as a result of:

(i) charging income with certain costs such as finance and interest charges which had been claimed for tax purposes in prior years;

(ii) including in income, profit realized on inter-company transactions prior to amalgamation in 1967, which profit had been taxed in prior years.

On a cumulative basis, taxes have been reduced by $814,000;

(i) $462,000 as a result of including such income earned and claiming such expenses incurred during years ended November 30, 1966;

(ii) $352,000 as a result of claiming depreciation for tax purposes in excess of the amounts recorded in the accounts for the year ended November 30, 1968.

No provision for deferred income taxes is included in the financial statements for this amount.

Income taxes payable in respect of the current year have been reduced by $1,112,000;

(i) $875,000 by claiming for tax purposes certain costs such as finance and interest charges which are capitalized for accounting purposes;

(ii) $237,000 by claiming depreciation for tax purposes in excess of amounts recorded in the accounts.

This reduction is applicable to those future years in which these amounts already claimed for tax purposes will be charged against income and accordingly is included in the balance sheet in "Deferred income taxes". No provision for deferred income taxes was made in prior years for depreciation claimed for tax purposes in excess of amounts recorded in the accounts.

The company is contesting an income tax assessment for the year ended November 30, 1967 which could result in additional taxes payable amounting to $112,000. No provision has been made in the accounts for this assessment.

12. Mortgages, Notes and Similar Indebtedness

Mortgages, notes and similar indebtedness include:

	1969	1968
	$	$
Mortgages on revenue-producing properties	4,260,472	3,472,391
Mortgages and notes on land	4,192,645	2,342,758
Other mortgages, notes and similar indebtedness	1,542,035	1,287,658
Mortgages on properties held for sale (note 4)	861,426	203,155
Amounts owing on a shopping centre	1,506,961	1,807,805
Amounts owing to Township of Chinguacousy	1,053,000	—
	13,416,539	9,113,767

Principal repayments due in the next five fiscal years under the terms of these obligations are as follows:

	$
1970	1,300,232
1971	3,271,162
1972	994,163
1973	497,129
1974	1,208,891

Mortgages on revenue-producing properties—$4,260,472

These mortgages bear interest at an average rate of 7% and mature from 1971 to 2066.

Mortgages and notes on land—$4,192,645

	1969	1968
	$	$
Mortgages payable—bearing interest at 4% to 9½%, maturing 1970 to 1985	3,893,564	1,543,830
Non-interest bearing mortgage payable, maturing 1976	299,081	348,928
7½% note payable, due in 1969	—	450,000
	4,192,645	2,342,758

Other mortgages, notes and similar indebtedness—$1,542,035

	1969	1968
	$	$
Mortgages payable—at an average rate of 7% maturing from 1971 to 1983	1,006,616	1,096,700
Non-interest bearing mortgage payable, maturing 1972	171,000	171,000
Other	364,419	19,958
	1,542,035	1,287,658

Amounts owing on a shopping centre—$1,506,961

Under the terms of the purchase agreement, the Company did not assume the first mortgage on a shopping centre at the time of purchase, but rather agreed to make payments to the vendor equal to the principal and interest due under the mortgage obligations of the vendor.

A wholly-owned subsidiary purchased the first mortgages on the shopping centre. The subsidiary postponed its claim under these mortgages which are receivable from a third party and are included in "Mortgages, debentures and notes receivable". During 1968 the Company entered into a sale and leaseback agreement whereby it sold the shopping centre and leased it back for a period of thirty years.

Amounts owing to the Township of Chinguacousy—$1,053,000

Under the terms of a Subdivision Agreement dated May 13, 1969, the Company agreed to pay the Township development levy payments over the next five years totalling $1,053,000.

13. 7½% Convertible Debentures, Series A, due October 1, 1988

The Series A Debentures are secured by a Trust Indenture containing a first floating charge on the undertaking and all the property and assets of the Company. Under the Trust Indenture a Sinking Fund for retirement of the Series A Debentures is to be established into which the Company must pay before October 1st in each of the years 1979 to 1987, inclusive, an amount equal to 6⅔% of the aggregate principal amount of the Series A Debentures outstanding on September 30, 1978.

The Series A Debentures are redeemable in whole or in part subject to the following two restrictions:

(i) the Series A Debentures may not be called for redemption in whole or in part prior to October 1, 1978, unless and until the principal amount of the Series A Debentures converted into shares of the capital of the Company and/or purchased for cancellation shall total $11,400,000;

(ii) the Series A Debentures may not be called for redemption (otherwise than out of Sinking Fund monies) in whole or in part prior to October 1, 1983, as part of, or in anticipation of, any refunding operation involving the incurring of indebtedness at an interest rate of less than 7½% per annum.

Each of the Series A Debentures is convertible up to September 30, 1978, or up to the last full business day preceding the date specified for redemption of such Debenture, whichever is the earlier, into fully-paid and non-assessable common shares by applying the principal amount of such Debenture to the purchase of such shares at a price of $8 per share. The Trust Indenture provides for adjustment of the conversion price if additional common shares are issued for a consideration less than $8.

14. Deferred Profits

Deferred profits less amortization, where applicable, consist of:

(i) the unamortized profit on sale and leaseback transactions amounting to $101,850. The profit is being amortized over the period of the leases. Minimum annual lease payments due in each of the next five fiscal years are $1,180,360.

(ii) profits on sales of land during the year amounting to $1,017,660 were deferred and will be included in future years' earnings as sufficient cash is received.

15. Capital Stock

The Company's outstanding share capital consisted of 6,029,488 (1968—5,931,675) issued and fully-paid common shares at November 30, 1969. In accordance with supplementary letters patent dated August 17, 1968, the number of authorized common shares of the Company was changed from 1,500,000 to 12,500,000 shares and the issued shares were split five for one. All references to number of shares, related prices and earnings per share have been restated to reflect the stock split.

During the year, 97,813 common shares of the Company (including shares under option and warrants exercised) were issued for $456,246 cash.

Shares reserved:

At November 30, 1969, 2,794,994 shares were reserved for issue as follows:

Stock Options	368,650
Warrants	942,844
7½% Convertible Debentures Series A	1,483,500
	2,794,994

Stock Options:

During the year stock options for 150,000 shares exercisable at $7.00 per share were granted to certain employees of the Company. The remaining outstanding options are exercisable at $5.60 per share. Particulars of outstanding options at November 30, 1969, follow:

Expiry date	Outstanding at November 30, 1968	Granted during the year	Exercised during the year	Outstanding at November 30, 1969
1973	13,250	—	3,350	9,900
1975	92,000	—	—	92,000
1978	158,750	—	42,000	116,750
1979	—	150,000	—	150,000
	264,000	150,000	45,350	368,650

Warrants:

There are 171,415 warrants outstanding entitling the bearer to purchase at any time to July 1, 1973 common shares of the Company. The number and cost of the shares are to be determined in accordance with the Warrant Agreement dated July 1, 1961. At November 30, 1969, the exercise price was $1.82 (U.S. funds) and 942,844 shares of the Company's common stock were reserved. During the year 6,550 warrants were exercised to purchase 35,963 shares for a consideration of $70,286.

16. Dividend Restrictions

The Indenture under which the 7½% Convertible Debentures were issued provides that, so long as any Debentures are outstanding the Company will not make any distribution (stated to include dividends paid and dividends deemed to have been paid under the provisions of the Canadian Income Tax Act) which would have the effect of reducing consolidated retained earnings of the Company and its subsidiaries below $1,000,000.

17. Pension Plan

A contributory funded pension plan is provided for eligible employees. Benefits are based on 2% of earnings for each year of membership in the plan, The Company contributed $16,595 during 1969 to meet the funding requirement of the plan.

18. Consolidated Statement of Source and Use of Funds

Non-cash items included in the determination of net income consist of:

	1969	1968
	$	$
Depreciation and amortization	469,013	333,983
Land usage and related carrying charges and development expenses	14,300,809	4,601,348
Mortgages taken back on land sales	(6,361,045)	(586,427)
Deferred income taxes	1,112,000	226,000
Deferred charges	575,939	869,664
Amortization of deferred financing costs	66,582	108,938
Other	215,719	(178,920)
	10,379,017	5,374,586

The comparative figures for 1968 have been adjusted to take into account the change in presentation of certain accounts in the consolidated statement of source and use of funds during the current fiscal year.

19. Commitments and Contingent Liabilities

(a) Under the terms of agreements with the Township of Chinguacousy the Company has assumed the Township's portion of costs for certain debenture obligations relating to extensions to sewage treatment facilities, a sanitary forcemain and schools. The maximum annual payments required will be approximately $130,000 in 1970; $128,000 from 1971 to 1986 and lesser amounts payable to 1997. Payments will be charged to operating expenses as incurred.

(b) At November 30, 1969, the Company was obligated under long-term leases to pay an aggregate minimum annual rental of approximately $158,700. The Company has no obligations under these leases beyond the year 1983. The minimum annual rental is in addition to lease payments referred to in note 14.

(c) The Company has commitments aggregating approximately $1,575,000 on contracts let for land improvements, based on architects' and consulting engineers' estimated completion costs.

(d) The Company has commitments aggregating approximately $2,442,000 based on contracts with an associate company for the completion of various buildings under construction.

(e) Under the terms of agreements with the Township of Chinguacousy, the Company is obliged to provide industrial and commercial development of sufficient amount to bear approximately forty-three per cent of the overall real estate assessment on the developed portion of the Bramalea project. To the extent that such industrial and commercial development is insufficient to meet this proportion of the tax burden, the Company must pay the deficiency to the Township. The Company has a deficiency for the current year in the amount of $420,000 which has been charged against income.

With respect to certain lands sold during the year to Ontario Housing Corporation the Company is exempt from the terms of these agreements but is required to provide minimum increases in industrial and commercial assessment. If the minimum increases in assessment are not met the Township of Chinguacousy, under specified circumstances, shall be entitled to purchase from the Company sufficient serviced industrial and commercial land, at the Company's cost including servicing and carrying charges, to make up any deficiency.

(f) The Company has guaranteed bank indebtedness in the amount of $1,314,500 of certain 50%-owned and other companies, joint ventures and partnerships.

(g) Under the terms of a mortgage agreement the Company is obligated to advance a maximum of $1,514,000 to a 50%-owned company by February 27, 1979.

(h) The Company, as indemnitor, has signed contract bonds to a maximum of $9,000,000 on behalf of an associate company. The Company only becomes liable to indemnify the insurance company if there is a claim under the terms of the contract bonds which the associate company is unable to honour.

(i) At November 30, 1969, the Company had options outstanding under agreements of purchase and sale amounting to $84,600 to purchase land for a maximum consideration of $1,796,500 if certain zoning conditions are met.

20. Subsequent Events to February 20, 1970

(a) The Company assigned the annual payments of principal and interest on the debenture receivable from Ontario Housing Corporation (note 6) to the bank to be applied against bank indebtedness.

(b) The Company arranged $3,000,000 of short-term financing in the form of 12% 30-day promissory notes.

(c) The Company has guaranteed bank indebtedness of joint ventures to a maximum of $750,000.

(d) The Company let contracts aggregating approximately $2,120,000 for land improvements.

Bramalea Fall 1969

There has been a slackening in the new house sales over the last few weeks, however, I anticipate that our sales targets for the year will be met and the Company's earnings will show a further improvement over the results achieved in 1975. While housing construction is a significant source of earnings for Bramalea, our industrial and commercial property divisions, and particularly our shopping centres, are earning increasing revenues and have satisfied our expectations.

Finally, I would like to give recognition to our Land and Construction Divisions which are currently in the process of completing the largest building program in the history of our Company. Their efficient performance has been a major factor in the satisfactory results which we have achieved in the first six months of the fiscal year.

Sincerely,

J. Richard Shiff

August 24, 1976

J. Richard Shiff, Q.C.
President

BRAMALEA LIMITED
1867 Yonge Street
Toronto, Ontario
M4S 1Y5

THE BRAMALEA GROUP

Interim Report

for the
six months ended
July 31, 1976

To the shareholders:

The Company's unaudited results for the six-month period ended July 31, 1976, indicate that Bramalea has achieved an increased level of earnings compared with the six months ended July 31, 1975.

After provision for income taxes, net income was $3,521,000, or 63 cents per share, compared with $1,838,000, or 28 cents per share, for the same period last year. Revenue totalled $58,087,000, compared with $29,943,000, while funds provided from operations represented $1.38 per share, as against $0.60 the year earlier.

The volume of new house sales compared with last year has increased significantly with double the number of units closed in the current period. Sales closings for the current period were in excess of 600 units.

BRAMALEA LIMITED

and Subsidiaries

Consolidated Statement of Earnings

for the six months ended July 31, 1976
(unaudited results)

	1976	1975
	(in thousands of dollars)	
Revenues	$58,087	$29,943
Expenses (note 1)	51,050	26,215
Earnings before income taxes	7,037	3,728
Income taxes	3,516	1,890
Earnings for the period (note 2)	$ 3,521	$ 1,838
Earnings per share (note 3)	$.63	$.28

Notes:

1) The following are included in the above expenses:

Depreciation	1,344	486
Interest	8,268	3,285

2) For purposes of comparison the 1975 figures cover the six month period February 1, 1975 to July 31, 1975.

3) Earnings and cash provided from operations per share are based on the weighted monthly average number of shares outstanding during each period (1976 — 5,588,600; 1975 — 6,576,300)

Consolidated Statement of Changes in Financial Position

for the six months ended July 31, 1976
(unaudited results)

	1976	1975
	(in thousands of dollars)	
Source of Cash		
Cash provided from operations	$ 7,737	$ 3,976
Additional mortgage financing	18,281	5,860
Sale of property and equipment	—	1,750
Investments	2,061	1,221
Repayment of mortgages receivable	1,229	(200)
	29,308	12,607
Use of Cash		
Purchase and construction of property and equipment	11,382	4,989
Purchase of capital stock — net	1,157	3,375
Additions to land	12,581	4,796
Additions to housing units	3,910	1,680
Deferred charges	1,102	705
Net change in other assets and liabilities	3,399	844
	33,531	16,389
Increase in net bank indebtedness	4,223	3,782
Net bank indebtedness at beginning of period	9,442	7,580
Net bank indebtedness at end of period	$13,665	$11,362
Cash provided from operations — per share (note 3)	$1.38	$.60

Bramalea Limited

Interim Report

for the
six months ended
July 31, 1977

Bramalea Limited
1867 Yonge Street
Toronto, Ontario M4S 1Y5

To the shareholders

The Company's unaudited results for the six month period ended July 31, 1977, indicate that Bramalea Limited has maintained its strong financial performance.

After provision for income taxes, net income was $3,345,000 or 62¢ per share, compared with $3,521,000 or 63¢ per share for the same period last year. Revenue totalled $50,035,000 as compared with $58,087,000, while funds provided from operations represented $1.25 per share, as against $1.38 the year earlier.

The reduction in revenue was due to the decline in the volume of house sales and closings in recent weeks. The Company's overall level of profitability, however, has been generally maintained.

We expect to continue our satisfactory earnings performance for the balance of the year.

Yours sincerely,

J. Richard Shiff

J. Richard Shiff, Q.C.
President

August 23, 1977

BRAMALEA LIMITED
and Subsidiaries

Consolidated Statement of Earnings
for the six months ended July 31, 1977
(unaudited results)

	1977	1976
	(in thousands)	
Revenues	$50,035	$58,087
Expenses (note 1)	43,315	51,050
Earnings before income taxes	6,720	7,037
Income Taxes	3,375	3,516
Earnings for the period	$ 3,345	$ 3,521
Earnings per share (note 2)	$ .62	$ .63

Notes:

1) The following are included in expenses:

	1977	1976
Depreciation	1,837	1,344
Interest	8,215	8,268

2) Earnings and cash provided from operations per share are based on the weighted monthly average number of shares outstanding during each period (1977 — 5,418,800; 1976 — 5,588,600)

Consolidated Statement of Changes in Financial Position
for the six months ended July 31, 1977
(unaudited results)

	1977	1976
	(in thousands)	
Source of Cash		
Cash provided from operations	$ 6,762	$ 7,737
Decrease in land	2,283	—
Sale of property and equipment	1,972	—
Additional mortgage financing	—	18,281
Issue of capital stock	97	—
	11,114	26,018
Use of Cash		
Repayment of mortgage financing	11,554	—
Purchase and construction of property and equipment	4,975	11,382
Deferred charges	2,328	1,102
Additions to land	—	12,581
Additions to housing units	459	3,910
Purchase of capital stock	152	1,157
Net change in other assets and liabilities	409	109
	19,877	30,241
Increase in net bank indebtedness	8,763	4,223
Net bank indebtedness at beginning of period	5,939	9,442
Net bank indebtedness at end of period	$14,702	$13,665
Cash provided from operations per share (note 2)	$ 1.25	$ 1.38